

## Digging Through AT&T's Bogus FCC Filing:

When it's not pounding home the argument that the merger is the only way to alleviate the spectrum constraints facing both carriers, AT&T spends time diminishing T-Mobile's competitive role, extolling its own history, and wrapping itself in the flag (even President Obama's broadband goals get a nod). The carrier also has a lot of praise for its rivals. Even Sprint, which is aiming to stop the merger, is labeled as a "tough" and "significant" competitor.

Though there are some truths to AT&T's arguments--such as the need for more capacity and the massive data use of smartphone users--the arguments are rather melodramatic. Yes, acquiring T-Mobile would be a quick way to increase spectrum efficiency and add cell sites, but AT&T makes it seem like the merger is its only chance for survival in the face of better-resourced competitors (crying about Sprint's unlimited data plans was especially rich). T-Mobile's spectrum would no doubt help with LTE deployment, but as analysts and some consumer groups have pointed out, AT&T has unused AWS spectrum for getting LTE started. So, "poor AT&T" is a stretch.

What's more, the relentless criticisms of T-Mobile were bizarre and way over the top. AT&T goes out of its way to dismiss T-Mobile as a viable competitor--even less so than Cellular South--by bashing on everything from its phone lineup and network. At the end of the document, you begin to wonder why even with its spectrum holdings, AT&T wants T-Mobile at all.

We've highlighted our favorite excerpts below. And if you're a T-Mobile customer, be sure to notice AT&T's promises that you can keep your T-Mobile service plan if the merger is approved. Happy reading!

Trust us, we built wireless as you know it!

"AT&T has helped lead America's mobile broadband revolution for many years, achieving network-technology breakthroughs at AT&T Labs and then pioneering their deployment to consumers. AT&T introduced the first widely adopted smartphone--Apple's iPhone--in 2007."

What about early BlackBerry and Palm devices?

"For decades, AT&T has conducted basic research that has led to profound advances. AT&T invented the first mobile phone and the first mobile network, and AT&T developed modern "cellular" technology that is the foundation of today's mobile wireless systems."

But now we're in trouble!

"AT&T faces network spectrum and capacity constraints more severe than those of any other wireless provider, and this merger provides by far the surest, fastest, and most efficient solution to that challenge...[AT&T] cannot simply wait for the next major auction to resolve them."

"[The] spectrum crunch is hitting AT&T harder and sooner than the industry at large. And because AT&T plays a key role in supporting the cycle of mobile broadband innovation in the United States, its capacity problems could have ripple effects throughout the broadband ecosystem."

If only customers didn't use so much pesky data!

"Smartphones are exploding in popularity; data-intensive mobile applications are proliferating;

consumers are feeding a limitless appetite for streaming video and social networking sites; and cloud-based computing services are fast emerging. Yet that unprecedented adoption rate is placing similarly unprecedented congestion on mobile broadband networks."

"A smartphone generates 24 times the mobile data traffic of a conventional wireless phone and the explosively popular iPad and similar tablet devices can generate traffic comparable to or even greater than a smartphone. AT&T's mobile data volume thus surged by a staggering 8,000 percent from 2007 to 2010. Put differently, in just the first five to seven weeks of 2015, AT&T expects to carry all of the mobile traffic volume it carried during 2010."

And T-Mobile stinks!

"T-Mobile likewise faces capacity constraints in a number of key markets. It also has no clear path to deploy LTE services because it has already dedicated its spectrum resources to today's less spectrally efficient technologies. T-Mobile also faces new questions about its long-term capital support."

T-Mobile has never been specific about LTE, but it has discussed probable scenarios.

"T-Mobile's absence from the marketplace will not have a significant competitive impact...AT&T is more focused on Verizon and Sprint than on T-Mobile, and AT&T too is seeing increased competitive threats from rapidly growing mavericks like MetroPCS and Leap and other providers. These other competitors can quickly replace the diminished market role T-Mobile plays today."

"T-Mobile and AT&T are not close competitors, and other providers already fill--or could easily move to fill--the competitive role T-Mobile occupies today."

"To the extent that T-Mobile's prices are lower than those received by AT&T and Verizon Wireless for otherwise comparable subscribers, T-Mobile's lower prices have not stimulated growth in its share of retail subscribers. This indicates that other aspects of T-Mobile's service are in some way lacking."

"T-Mobile is now 'struggling for relevance' in this increasingly competitive market. AT&T does not believe that T-Mobile has a particularly compelling portfolio of smartphone offerings as compared to AT&T, Verizon, and Sprint."

Never mind its strong Android lineup like the G2 and the MyTouch 4G.

"While AT&T tracks T-Mobile's activities (along with those of other providers), it does not view T-Mobile as a close competitor, let alone as a major competitive threat"

Consumers win!

"T-Mobile customers will also gain access to a broader range of current devices such as the iPhone, the iPad, and the Atrix 4G, as well as faster access to the next generation of devices."

"With the efficiencies associated with the transaction, the combined company will deploy LTE to over 97 percent of the U.S. population, including in rural and smaller communities, thereby reaching approximately 55 million more Americans than under AT&T's current LTE deployment plans."

"Because the transaction will alleviate AT&T's severe capacity constraints and avoid spectrum exhaust, AT&T's GSM and UMTS customers will receive higher quality of service in the form of fewer dropped and blocked calls, better in-building and in-home coverage, and faster, more consistent, and more reliable data services, particularly during periods of peak use."

"[The wireless industry] will remain every bit as dynamic and competitive after this transaction as before. Indeed, the wireless marketplace will be more competitive because this transaction will expand overall output and relieve both AT&T and T-Mobile of capacity constraints that, absent this transaction, would reduce their competitive impact."

This transaction will enable AT&T to build on its strong track record for disaster preparedness by expanding the infrastructure and spectrum resources from which it can draw during emergencies.

Keep your rate plan, we promise!

"AT&T will map T-Mobile's rate plans into AT&T's billing systems as we have done in the case of prior acquisitions, so that if a T-Mobile consumer wishes to change her existing smartphone to a comparable smartphone from AT&T's device portfolio, she will be able to keep her existing data plan."

They just won't tell you what happens when your T-Mobile plan ends.

"Consumers who are happy with their T-Mobile rate plans will be able to keep them, so they will enjoy the benefits of improved customer experience without losing the rate plan of their choice."

"Finally, the transaction will enhance the diversity of rate plans available to T-Mobile customers.

Consumers who are happy with their T-Mobile rate plans will be able to keep them, so they will enjoy the benefits of improved service quality and thus a lower quality adjusted price."

Our competitors are great, and sometimes even better than us!

"Verizon Wireless is the nation's largest wireless provider with a leading reputation for high-quality network performance, and it competes with AT&T in almost every local market. It has an exceedingly robust spectrum position.

"Verizon Wireless has a strong reputation for network and service quality. As mentioned, many consumer groups and surveys give Verizon Wireless higher rankings than other carriers. AT&T's performance in these rankings highlights the importance to AT&T of efforts to improve the quality of service that it offers."

"Sprint also has lured subscribers searching for faster data speeds and inexpensive, unlimited data plans."

Remember that you used to have unlimited data plans too.

"Other 4G devices offered exclusively by Sprint include the HTC Evo Shift 4G, the HTC Evo 3D, which was awarded "Best Smart Phone" and "Best in Show" by Laptop Magazine, and the HTC Evo View 4G tablet, which was rated 'Best of CTIA 2011' by Phonearena.com."

What they don't tell you is that the Atrix won CNET's Best of CES 2011 award for the smartphones category.

"Sprint also has a stronger reputation for service quality than AT&T or T-Mobile, generally ranking second among national carriers in customer satisfaction behind Verizon Wireless."

"U.S. Cellular's wireless service will become even more compelling to consumers after it launches its LTE network in 2012."

"U.S. Cellular appears to serve its customers well. It was one of only 40 companies in twenty major industries to earn a customer service award from J.D. Power, and enjoys one of the lowest churn

rates in the industry."

"MetroPCS, Leap, and others can fill any gap T-Mobile USA might leave in the competition for value-conscious consumers when the transaction is completed."

"MetroPCS and Leap have now become the industry's leading "mavericks," a term that does not apply to providers that, like T-Mobile."

It's patriotic!

"The U.S. leads innovation in areas throughout the mobile broadband ecosystem, from networks to operating systems to mobile applications. That leadership arises from a complex, virtuous cycle of innovation, in which network providers play a critical role. This transaction will help maintain that global leadership."

"Finally, the transaction will bring a foreign-owned U.S. telecom company under U.S. ownership."

"Finally, the transaction will advance the universal broadband deployment goals of the Obama Administration and the FCC's National Broadband Plan."

Random facts, but we'll throw them in anyway!

A report by the Pew Internet & American Life Project, for example, found that 'African Americans are the most active users of the mobile internet--and their use of it is also growing the fastest. This means the digital divide between African Americans and white Americans diminishes when mobile use is taken into account'."

And how is this related?

"As [FCC] Commissioner Mignon Clyburn recently pointed out, the African American and Hispanic communities have 'excelled' in their adoption of mobile broadband services, and both groups 'take advantage of a much wider array of their phones' data functions than their white counterparts.'

AT&T's LTE initiative will thus be a key part of keeping these and other minority groups on the leading edge of the broadband revolution."

Read more: [http://www.cnet.com/8301-17918\\_1-20056640-85.html#ixzz1dBSayvpl](http://www.cnet.com/8301-17918_1-20056640-85.html#ixzz1dBSayvpl)